GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy Department – Proposal for setting up of 1.0 MMTPA Green Hydrogen based Green Ammonia Manufacturing Facility at Kakinada by M/s. AM Green Ammonia (India) Private Limited (AMGAIPL) – Sanction of the project – Orders – Issued.

ENERGY (POWER.II) DEPARTMENT

G.O.MS.No. 5 **Dated: 06-01-2025**

Read the following:-

1. Proposal of M/s. AM Green Ammonia (India) Private Limited, vide Lr. No. AMGA/GC/2024, dated.28.10.2024.
2. Govt. Letter. No. Govt. Lr. No. ENE01-APPT/78/2024-POWER-II (2614110), dated 11.11.2024.
3. From the Vice Chairman & Managing Director, New and Renewable Energy Development Corporation of Andhra Pradesh (NREDCAP), vide letter No. NREDCAP/WE/AM Green/ GH/2024 dated 15.11.2024.

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O R D E R:-

Government of Andhra Pradesh (GoAP) is focused on creation of green economy and thriving ecosystem for Integrated Clean Energy across the value chain, through a robust framework to attract investments, thereby contributing to India's Renewable Energy growth and driving action in mitigating climate change.

2. To achieve and lead the country's goals of net zero, the Government of Andhra Pradesh has formulated "Andhra Pradesh Integrated Clean Energy Policy, 2024" for attracting clean energy investments and notified vide G.O. Ms.No:37, dated 30.10.2024 of Energy (Power-II) Department.

3. The policy aims to add over 160 GW of renewable energy capacity, with a potential to attract investments worth ~INR 10,00,000 Crores, thereby generating an estimated employment for 7,50,000, both direct and indirect. The policy will propel Andhra Pradesh to become a clean energy hub and contribute towards self-economic reliance. Under the policy, it is proposed to encourage both large scale and decentralised Renewable Energy generation in the State.

4. One of the objectives of the AP Integrated Clean Energy Policy 2024 is to support the development of eco-system for production of Green Hydrogen and its derivatives and make Andhra Pradesh the preferred destination for production and export of Green Hydrogen and its derivatives.

5. In the reference 1st read above, M/s. AM Green Ammonia (India) Private Limited (AMGAIPL), have submitted proposal for custom incentives enabling 1.0 MMTPA Green Hydrogen based Green Ammonia Manufacturing Facility at Kakinada.

6. The proposal of M/s. AMGAIPL has been placed before State Investment Promotion Board (SIPB) meeting held on 30.12.2024. The SIPB has taken the following decisions:

a) SIPB has agreed for the proposal for setting up of 1.0 MMTPA Green Hydrogen based Green Ammonia Manufacturing facility at Kakinada by M/s. AM Green Ammonia (India) Private Limited as per provision of AP Integrated Clean Energy Policy, 2024.
b) SIPB has agreed to extend incentives as per the AP Integrated Clean Energy Policy, 2024, duly examining the issue of the existing NFCL plant and machinery, in association with the Industries Department.
c) SIPB has agreed to the request of the developer for exemption of Stamp Duty on land registration fee, stamp duty and any other related charges on the land registration acquired for the purpose of Green Hydrogen and Ammonia production and recommend to the Commissioner & IG Registration and Stamps to register the lands in their name from NFCL without any charges.

7. Government after detailed examination of the proposal of M/s. AMGAIPL in consultation with various stakeholders, has further issued orders as follows,

a. Approved for the proposal for setting up of 1.0 MMTPA Green Hydrogen based Green Ammonia Manufacturing facility at Kakinada by M/s. AM Green Ammonia (India) Private Limited as per the provisions of AP Integrated Clean Energy Policy, 2024.
b. Extend incentives as per the AP Integrated Clean Energy Policy, 2024 as follows duly examining the issue of the existing NFCL plant and machinery, in association with the Industries Department.
c. **Capital Subsidy for Integrated Green Ammonia and Green Methanol Facilities:** Capital subsidy of 25% shall be provided on **plant** & equipment costs (including Electrolyzer stack) for integrated Green Hydrogen, Green Ammonia & Green Methanol (including Biogenic Carbon) production facilities, subject to a maximum of; INR 1.85 Crore per KTPA production unit of Green Ammonia facility and INR 2.25 Crore per KTPA production unit of Green Methanol facility.
d. The subsidy shall be paid to the Developer over a period of five (5) years post commissioning of the plant. All incentives provided under Green Hydrogen, Green Ammonia, Green Methanol are also applicable to produce SAF derived from Green Hydrogen & its derivatives.

e. **Capital Subsidy on Desalination Plant:** Capital subsidy of 20% on Fixed Capital Investment (FCI) of desalination plant set up for Green Hydrogen and its derivatives subject to a maximum of INR 1 Cr. per MLD shall be paid to the Developer over a period of five (5) years post commissioning of the plant. Desalination plant may be setup by Project developer, or any third party are eligible for capital subsidy.

f. **Provision for land conversion:** Deemed Non-Agricultural status will be accorded for the land utilized for development of Green Hydrogen and its derivatives projects. However, an application has to be submitted to Revenue Department for one time land conversion. Any applicable fee for such land conversion shall be exempted for all types of Green Hydrogen and its derivatives projects eligible under the policy.

g. **SGST Reimbursement**: GoAP shall provide reimbursement of 100% net SGST revenue to the Developer from sale of Green Hydrogen and its derivatives within the State for a period of five (5) years from COD.

h. **Other infrastructural requirements** : Industrial water shall be provided at the doorstep of the manufacturing facility and 25% exemption of the applicable industrial water charges for 5 years. Thereafter, the water charges shall be payable as per the applicable rates from time to time. Any other charges on power & other infrastructure shall be paid as applicable from time to time.

i. **Intra-State Transmission Charges for wheeling of power**: 50% of Intra-state transmission charges shall be exempted to the Developer for a period of five (5) years from COD for the power procured from Renewable Energy (with or without storage) plants located within the State subject to maximum of INR 15 Lakhs per MW per year of installed Electrolyzer capacity and thereafter shall be paid as applicable from time to time.

j. **Transmission Losses:** Applicable losses to be paid for sourcing Renewable Energy for Green Hydrogen and its derivatives generation.

k. **Cross Subsidy Surcharge**: The cross-subsidy surcharge, as applicable to the Energy Intensive Industry category, shall be exempted for energy drawn from Renewable Energy plants located within the State for production of Green Hydrogen and its derivatives for a period of five (5) years from the COD.

l. **Additional Surcharge**: 100% exemption of Additional Surcharge for a period of five (5) years from COD and thereafter shall be paid as applicable from time to time.

m. **Electricity Duty**: 100% reimbursement of Electricity Duty for the power consumed for production of Green Hydrogen and its derivatives from RE plants (with or without storage) for a period of five (5) years from COD and thereafter shall be paid as applicable from time to time.

n. **Energy Banking, Settlement & Balancing**: Banking shall be applicable as per the Green Energy Open Access Regulations, 2024 as detailed in the clause 5.11 of this policy.
o. **Renewable Energy for production:** As per Green Hydrogen Policy notified by Ministry of Power, Govt. of India on 17th February 2022, the State will promote production of Green Hydrogen and its derivatives by using Renewable Energy and or Biomass from any of the following ways:

- Open access route from co-located or differently located RE plant.
- Captive route from co-located or differently located RE plant set up by the Developer.
- Third-party sale/Power exchange.
- Procuring from APDISCOMs and shall only pay the cost of procurement as well as the wheeling charges, if applicable and a small margin as determined by the State Commission.

p. **Other Incentives:** Any other incentives as provided by the Central Government for production of Green Hydrogen and its derivatives shall be extended by the SNA to the Developer without any financial commitment by the State Government. All incentives provided for Green Hydrogen/Green Ammonia/Green Methanol are also applicable to produce SAF derived from Green Hydrogen & its derivatives.
q. Exemption of Stamp Duty and land registration fee, stamp duty and any other related charges on the land registration acquired for the purpose of Green Hydrogen and Ammonia production and recommend to the Commissioner & IG Registration and Stamps to register the lands in the name of M/s. AM Green Ammonia (India) Pvt. Ltd. from NFCL without any charges. The implementing Agency NREDCAP is directed to ensure that the exemption of Stamp duty is strictly as per the directions of NCLT/ARC.
r. All fees and charges as per the AP Integrated Clean Energy Policy 2024 shall be paid by M/s. AMGAIPL.
s. The project shall be completed within (36) months as per the provisions of AP Integrated Clean Energy Policy 2024.

8. The Revenue Department/ Industries & Commerce Dept/MA & UD Dept/I & I / APTRANSCO /The Commissioner & IG Registration and Stamps shall take necessary action accordingly pertains to their issues.

9. The Vice Chairman & Managing Director, New and Renewable Energy Development Corporation of Andhra Pradesh, Tadepalli shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. VIJAYANAND
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
M/s. AM Green Ammonia (India) Private Limited, Module No. A1, A2, A3, Q4 4th Floor, Cyber Towers, Madhapur Hyderabad, Telangana – 500 081.
The Vice Chairman & Managing Director, NREDCAP, Tadepalli.
The Chairman & Managing Director, APTRANSCO, Vidyuth Soudha, Vijayawada.
The Chief Commissioner of Land Administration & Special Chief Secretary to Government, APIIC Towers, Mangalagiri.
The Special Chief Secretary to Government, Revenue Department.
The Special Chief Secretary to Government, Finance Department.
The Special Chief Secretary, Industries & Commerce Department.
The Special Chief Secretary to Government, EFS&T Department.
The Principal Secretary to Government, Water Resources Department.
The Principal Chief Conservator of Forests, GoAP, P.V.S. Land Mark, Near APIIC Towers Mangalagiri, Guntur District.
The Commissioner & IG Registration and Stamps, GoAP, V SQUARE Building, KSR Park Road, Ward No.2, Tadepalli, Guntur District.

Copy to
The Commissioner of Industries Department, Vijayawada.
The Collector & District Magistrate, Kakinada District
The Member-Secretary, Andhra Pradesh Pollution Control Board, Vijayawada.
The Managing Director, APGENCO, Gunadala, Vijayawada.
The Chairman & Managing Director, APSPDCL, Tirupathi.
The Chairman & Managing Director, APCPDCL, Vijayawada.
The Chairman & Managing Director, APEPDCL, Visakhapatnam.
The P.S to Secretary to Chief Minister.
The P.S., to Minister for Energy.
The P.S to Chief Secretary to Govt.
The P.S., to the Special Chief Secretary to Government, Energy Department.
The Secretary, Ministry of New & Renewable Energy (MNRE), GoI, New Delhi.
The Secretary, Ministry of Power, GoI, New Delhi.
G.A (Cabinet) Dept.,
SF/SCs(2667137)

//FORWARDED BY ORDER//

SECTION OFFICER